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From the above table, if we take the mothers' ages from 20 to 30 as 100, we have —

	For 2 Years.		For 7 Years.		
Below 20 years,	Uterine diseases,	176	156	Intestinal catarrh,	120
From 20 to 30 years,	"	100	100	"	100
" 30 to 35 "	"	66	90	"	82
Above 35 years	"	73	94	"	88

Körösi also finds that it makes but little difference in regard to the vitality of the child whether the father or mother is the older, provided that the difference in ages is not too great. A difference of 10 years seems to be the limit within which the strongest children are produced.

G. N. C.

THE FALL OF THE RATE OF INTEREST AND ITS INFLUENCE ON PROVIDENT INSTITUTIONS.

In *La Reforme Sociale* (Nos. 45 and 46) for November, 1892, appears an article on the above subject by M. Cheysson, with an appended discussion by MM. Juglar, Fougèrousse, Gibon, and Cheysson.

M. Cheysson declares that the present decline of the rate of interest contains elements for social and financial revolution. It especially affects provident institutions, societies for mutual insurance, etc. He first enumerates the general causes and notes their effects: The increasing amount of capital, its mobilization and entrance into the market, the competition for investments which become less and less remunerative, lead, on the one side, to a constant reduction in the rate of interest, and, on the other, to wild speculative adventure. In consequence of the fall we observe, *e.g.*, that the *3 per cent perpétuel français*, which represent a capital of 12 milliards, have risen from 70.05 f. in 1869 to 100.45 f. in 1892 (June 15). Other values have had the same history. The recent conversions of debt are also significant. In 1888 the English debt was refunded at an interest of $2\frac{3}{4}$ per cent, which in 1913 will be reduced to $2\frac{1}{2}$ per cent. When the great loans, national, municipal, and industrial, shall have been paid, as appears probable in the next half century, "what enterprises can be imagined to absorb the surplus?" This question M. Cheysson leaves to posterity, to whom we leave "*en même temps que nos bienfaits l'embaras des richesses.*" But for present concern it should be ob-

served that this prospective fund will maintain the present low rate of interest if it does not, indeed, cause a greater decline. The low rate of interest makes new enterprises possible. It diverts capital to agriculture where scientific production is at last made possible. The general result is the improvement of the position of manual labor. The demand is increased, the supply remains stationary, while in addition the products of manufacture are made cheaper. The cost of lodging is above all diminished. A house worth 6000 f. renting for 300 f. at 5 per cent becomes 180 f. at 3 per cent, and the purchase annuity declines from 481 f. to 403 f. On the other hand, the fall of interest deprives the idle of a large part of their income,—they must work or retrench. It is like a phenomenon of depreciation. It is a loss to capitalists, fundholders, and creditors, and a profit to laborers and debtors. It is, M. Cheysson declares, a “democratic phenomenon.”

He notes next the special effects of the fall of interest on the accumulation of savings and provisions for old age (*retraites*). These are results which disadvantageously affect those classes which we have just seen to be favored in general. In respect to the first it is assumed as true that a diminution of savings will follow a fall in interest. In regard to pensions it has been found that they are importantly affected. Pensions are calculated on two factors,—the mortality table and the rate of interest. The insurance companies of France have been compelled to revise both. They have adopted new mortality tables, and have reduced the rate of interest from 4 per cent to $3\frac{1}{2}$ per cent, not daring to approach closer the normal rate. Some of the mutuels have proceeded at hazard, without any scientific bases. This has been the history also of the civil pension fund (*caisse des pensions civiles*), in which the deficit has risen at present to 40 millions. Similar difficulties have been met in the pensions of the railway service. But the greatest difficulties have been encountered in the cases of individuals and of mutual companies. With a payment of 50 f. for 30 years (until 55) the laborer obtained a pension of 410 f. at a rate of 5 per cent, but with a rate of $3\frac{1}{2}$ per cent this would be reduced to 270 f., or over a third. Again, to obtain a pension of a franc a day, it would require a contribution for the same period of 41 f. annually at 5 per cent, but of 66.70 f. at $3\frac{1}{2}$ per cent. It is this which leads the laborer to live from day to day, and to demand that the state shall make a provision for old age which is beyond “the individual efforts of the laborer.”

The *sociétés de secours mutuels* are very much dissatisfied with the present rate of $3\frac{1}{2}$ per cent. By the law of 1850 the rate of the *caisse de la vieillesse* was placed at 5 per cent. It was reduced to $4\frac{1}{2}$ per cent in 1853, and in 1872 raised again to 5 per cent, to be reduced again in 1882 to $4\frac{1}{2}$ per cent. These rates threw too heavy a burden on the fund which realized no such interest. A large deficit was created. The policy of the directors was to limit as much as possible their unprofitable *clientèle*. This led to a reform in 1886, by which the President fixed the rate for the year ensuing by the average rate of the investments of the year preceding. An immediate reduction to 4 per cent was made, and, finally, for 1892 to $3\frac{1}{2}$ per cent. The history of the unengaged funds (*fonds libres*) and pension funds (*fonds de retraite*) of the mutuals has been similar, being fixed by the *caisse des dépôts et consignations* at $4\frac{1}{2}$ per cent in 1856. But these were assimilated to the *caisse national de la vieillesse* in 1892. The societies were greatly disturbed, and claimed that the preservation of the former rates of interest was a part of the contract with the state, for which they exchanged the restraints of recognition and approbation. Moreover, they had not been financially at liberty to take advantage of the previous high rates which were granted, but had to wait and make their payments for each pension in a lump sum calculated at the then existing rate. Those payments made before the reduction held the earlier high rates during the life of the pensioner. Moreover, they asserted that as the state guaranteed a minimum dividend to the shareholders of the railways without reduction, they, numbering 1,200,000 mutualists, giving an example of thrift and largely aiding to prevent pauperism, were equally entitled to such consideration. The moderates asked that a double annual subvention be allotted to the pension fund; the extremists demanded a fixed rate of 5 per cent for the smaller pensions.

The rates of interest have been through a process of evolution in the Chambers. In 1889 they decided not to pledge a definite rate of interest which involved an indefinite demand on the income of the state, but rather to assist the funds by specific appropriations. Thus, the determination has been to give outright to the clients of the state only the revenues which the funds actually obtain, and thus negative the idea that the state can arbitrarily create the rate of interest. The great danger lies in the fact that an abnormal rate will attract to these funds commercial investments, and not the savings of labor. This

has been the experience of the *caisse de la vieillesse* when the payments have varied with the excess of the interest fixed over the market rate; and this is also true of the *caisse des dépôts et consignations*. The defenders of the privilege declare, however, that they would limit it to the members of the mutual societies, which they claim would prevent any abuse. But this seems first an unjust discrimination against private individuals, and, secondly, it would be no security because it is easy to become a mutualist, and everybody could take advantage of it. The system of granting an interest not acquired is false political economy and leads to false ideas, besides being financially risky. The argument of the mutualists, that the shareholders of the railways have a guaranteed interest is not decisive. They are temporary, and are based on a commercial contract. The pensions are based on payments made under varying economic conditions at a fixed rate. A more serious cause of complaint is the state interference in the financial control of the societies, which prevents them from taking advantage of the periods of high rates of interest, since payments have to be made in a capitalized form at specific times. But the weakness of this complaint lies in the fact that they get, as it is, a high rate of interest. Besides this the pensions are based on payments made by honorary and non-participating members, the payments of the participating members being insufficient to cover the general expenses.

The state assistance for the pensions of the mutual societies began in 1852, at the time of their origin, with a fund of 10 millions, giving a revenue of 510,000 f. This soon became insufficient, and the income of the fund was increased by successive annual appropriations until the total in 1891 was 960,000 f. This subvention is distributed among the "approved" societies according to the payments to the pension fund, the number of participants and the number of the latter over 55 years of age. This gives those societies having a large honorary list a great advantage. It also causes the societies, in their eagerness to get a large portion, to economize unduly. As the capital value of the pension payments is inalienable, and returns to the societies a large amount of property in mortmain is formed. M. Cheysson, in view of the existing deficit and the importance, socially, of encouraging and preserving the societies, advocates a special annual appropriation by the state. It should be applied first to increasing the income of those pensions which have been established since the

lowering of the rate of interest,—since 1892,—and to those of an “alimentary” character, *e.g.*, those of 360 f. and under. The general effect of the fall of interest, M. Cheysson repeats, is to the advantage of the laborer, especially as respects the habitation and the family. The rise of wages and the fall of prices both improve his condition, and give him a better opportunity to save. Credit, moreover, is easily obtainable, and becomes possible to the agriculturist. But the great advantage is as respects the housing. It becomes possible with money at $2\frac{1}{2}$ to 3 per cent to rent and purchase a house in fifteen to twenty years, where formerly rent alone could be paid. This means the consolidation of the family, which has been said to be the most secure insurance for old age.

FRANCIS WALKER.

LIMITATIONS OF STATISTICS.

In the March issue (1892) of the *Rassegna di scienze sociali e politiche* the scope and limitations of statistics is considered by Prof. Salvioni, in an article entitled *Ai Confini della Statistica*. The following is a summary of the principal positions taken by the author.

The discussion takes the form of answers to the two questions that are propounded at the outset: (1) Are inquiries (especially social inquiries) a part of statistics? (2) Is the so-called monograph (of the family, shops, etc.) a part of statistics? Statistics and inquiry, it is held, have both the same matter to deal with, and it is the office of both to illustrate the economic and social situation of a country; but this affinity does not suffice to make them identical. Again, “it is the office of statistics to collect social facts of every kind for the purpose of recognizing as *descriptive* the political state, and to explore as *investigative* statistics the social state of the nation.” But even this fact does not identify inquiry with statistics, for in statistics there is a particular element—“the numerical determination of the facts collected”—that is wanting in inquiry. On the other hand, this distinction is not a sufficient mark of differentiation.

By further restrictions we finally get over and above *expositive* statistics, the doctrine of method, or *statistical methodology*. But *inquiry* has also its methodology, which is so like that of statistics as to suggest the problem of “fusion and separation.” Their similarity of method is not confined to any particular kind of inquiry, but has refer-